



## Chapter 9

# Major Capital Project Allotment and Review

## 9.1 Special Review of Major Capital Projects

---



**What are major capital projects?**

Major capital projects are those which cost in excess of \$5 million or those designated by OFM or the Legislature as having complex technical or program aspects. Agencies receiving appropriations for major projects follow special guidelines for allotment review and project approval. The steps in this process and the information required are designed to help keep projects within the limits and intent of the appropriation.

Major capital projects typically receive appropriations over two or more biennia depending upon the complexity and size of the project. A project could receive as many as three or more appropriations for predesign, design services, construction and equipment purchases. Specific allotment instructions follow in subsequent sections of this chapter for these various phases.

**What forms do I use?**



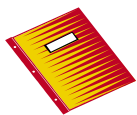
Agencies and institutions are directed to submit appropriation and allotment information on specified forms (Allotment Request Forms A-1 and A-2 and Project Cost Estimate Form C-100 or C-100A). In addition, agencies and institutions are directed to submit updated project scope, schedule and cost estimates through the Capital Budget System (CBS) and BASS.



**IMPORTANT:** Do not submit C-100/100A cost estimates through BASS. These forms will be distributed in a blank, electronic spreadsheet. Agencies and institutions are asked to complete the spreadsheet for each major project and return electronic files for OFM use.

## 9.2 Major Capital Project Allotment Review Considerations

---



**The review process**

This section clarifies the process and information necessary for OFM to implement the requirements of the capital appropriations bill, and to exercise OFM's statutory role in approving allotments for major capital projects. The steps in the process and the information required are designed to promote better project planning and, allow the state to accomplish more work with less money. Ongoing contact with OFM staff members will help to promote a better understanding of major projects, and will expedite allotment approval when additional information about projects is needed.

## 9.2.1 Major Capital Project Allotment Review Considerations

### Information required by OFM

OFM requires certain information for each phase of the project. OFM is committed to respond to properly justified requests within two weeks from receipt of the supporting information. To expedite this review, it is advisable to contact OFM staff periodically and discuss progress on projects. Joint communication between agency and OFM staff can alleviate potential issues before they arise.

The following requirements are intended to improve Washington's capital budget and project delivery systems:

- Predesign study** 1. Predesign studies start the capital project process. Typically, the total amount of funds, if appropriated through the capital budget, for the project's predesign study is allotted at one time. Predesigns paid from nonappropriated funds do not require a capital allotment.
- Design services** 2. Design services allotments are submitted on *Allotment Request for Design (Form A-1)* indicating data on space, cost, and schedule as determined through the approved predesign. Agency requests for design services allotments will also include a completed cost estimate Form C-100.
- Value engineering study** 3. A value engineering study by an independent consultant team is required for each major project during the design phase. The agency must provide OFM with a clear explanation of recommendations that were accepted or rejected and the reasons why.
- Construction bids** 4. The structure of construction bids should be consistent across all agencies and institutions, with base bids reflecting a complete and functional project. Additive alternates that improve durability or serviceability of the project should be identified separately. However, the use of deductive alternates is not cost-effective to obtaining maximum value for the owner, and should be employed only when special conditions warrant this approach.
- Unfinished or "shell" space** 5. The construction of unfinished or "shell" space within a facility is not approved unless specifically authorized by the capital appropriation bill.
- Unforeseen costs** 6. Reasonable amounts of funds will be allotted for contingencies based on the scope and complexity of the project. As the project proceeds, the amount necessary to cover unforeseen situations is expected to diminish as risk diminishes.

- Excess funds** 7. Amounts appropriated but deemed unnecessary to complete the scope of a project will not be automatically available to the agency or institution to increase the scope or to buy additional equipment or for other purposes. Excess funds will remain with the project through completion. Excess funds may be made available to address unforeseen problems that arise, meet claims, selectively fund opportunities that reduce or eliminate the need for future projects, transfer to other projects, to the infrastructure account within the agency, or, eventually be lapsed. Excess funds that are lapsed represent savings that will allow other projects to be funded.

**Alternative public work contracting (RCW 39.10)** Generally, these requirements are tailored for the process of awarding public works contracts in lump-sum awards to the lowest responsive bidder. However, Chapter 39.10 RCW allows for Alternative Public Works Contracting under limited circumstances. Agencies and institutions choosing to utilize either the design-build or general contractor/construction manager (GC/CM) contracting procedures should contact their OFM capital budget assistant prior to the start of design efforts for clarifying allotment instructions.

## 9.3 Allotment of Predesign Appropriations

---

**Submitting allotment requests for predesign studies** Allotment requests for predesign studies, when appropriated through the capital budget, should be submitted as an initial capital allotment package with the operating allotment on the schedule shown in Appendix E. Supporting information for the allotment request should include a statement about the conceptual understanding of the major capital project. Please refer to Predesign Manual for further guidance.

## 9.4 Allotment of Design Appropriations

---

### 9.4.1 Design-Bid-Build Public Works Contracting

**Items included in the design allotment** Design allotments may be submitted after the predesign is approved by OFM and an appropriation for design is available. Allotments for design services may include the following items:

- Acquisition costs**
  - Acquisition Costs: Allotments for property acquisition may be approved at this time.
- Consultant services**
  - Consultant Services:
    - Predesign Consultant Services* - Allotment for those services, such as environmental analysis, which have not been completed during the

predesign phase will be made.

*Architectural/Engineering Basic Design Services* - Allotment of basic design services will be made.

*Architectural/Engineering Extra Services/Reimbursable* - Those services and reimbursable activities normally conducted during the design phase and through project bidding will be allotted. All other services such as Commissioning will not be allotted at this time.

*Other Services* - Those services and activities normally conducted during the design phase through project bidding will be allotted. No other funds will be allotted at this time.

*Design Services Contingency* - Allotment for design contingency may be made at this time. Funds may be approved on a case-by-case basis later in the project.

***Contracts,  
equipment,  
other costs***

- Construction Contracts, Equipment, and Other Costs: No allotments will be made at this time.

***Project  
management,  
artwork, related  
projects***

- Project Management, Artwork, and Related Projects: Allotments may be made at this time.

## 9.4.2 Alternative Public Works Contracting

**Requirements  
for alternative  
public works  
contracting**

If an alternative public works contracting procedure will be used, the following requirements must be met prior to requesting an allotment:

- Provide documentation that adequate public notification and an opportunity for public review and comment was conducted. The documentation should include a summary of the public comments received.
- Provide a copy of the final determination of which contracting procedure will be used. This determination shall be accompanied by a concise statement of the principal reasons for selecting the preferred alternative construction method.
- Provide any requested information concerning implementation of alternative contracting procedures to the Alternative Public Works Oversight Committee in a timely manner as the project proceeds.

### 9.4.3 Design Pre-Allotment Requirements

**Forms A-1 and  
C-100/100A**



Prior to the release of allotments for design services for either the traditional or alternative public works process, the agency will submit project scope, cost and schedule data on Form A-1 and an updated Project cost Estimate form C-100/100A. In addition, the agency must update the project data in the CBS/BASS system to correspond with the final project appropriation.



**IMPORTANT:** Do not submit C-100/100A cost estimates through BASS. These forms will be distributed in a blank, electronic spreadsheet. Agencies and institutions are asked to complete the spreadsheet for each major project and return electronic files for OFM use.

State of Washington  
Office of Financial Management

**ALLOTMENT REQUEST FOR DESIGN (FORM A-1)**

**AGENCY NAME** \_\_\_\_\_ **AGENCY NUMBER** \_\_\_\_\_

**1. BASIC PROJECT DATA**

**Project Identifier** \_\_\_\_\_

**Project Title** \_\_\_\_\_

**Project Location**

Project Address \_\_\_\_\_

Legislative District \_\_\_\_\_

**Project Type**

New Facility \_\_\_\_\_

Addition \_\_\_\_\_

Remodel \_\_\_\_\_

Other \_\_\_\_\_

**Project Size**

**Original Request**

**Current Request**

Gross Area \_\_\_\_\_

Net Area \_\_\_\_\_

Efficiency \_\_\_\_\_

**Reason for Change** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Project Description** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2. PREDESIGN DOCUMENT- A copy of the predesign document is:**

Enclosed \_\_\_\_\_

On File \_\_\_\_\_

Date Submitted \_\_\_\_/\_\_\_\_/\_\_\_\_

# ALLOTMENT REQUEST FOR DESIGN (FORM A-1)

PAGE 2 OF 2

## 3. PROJECT SCHEDULE

	Start	End
Schematic Design	__/__/__	__/__/__
Design Development	__/__/__	__/__/__
Value Analysis	__/__/__	__/__/__
Construction Documents	__/__/__	__/__/__
Bid Date	__/__/__	
Start Construction	__/__/__	
Finish Construction	__/__/__	
Occupancy	__/__/__	

## 4. PROJECT MANAGEMENT

Project Manager

Name

Address

Phone Number

( )\_\_-\_\_

Architect/Engineer

Name

Address

Phone Number

( )\_\_-\_\_

Other Major Parties

Name

Address

Phone Number

( )\_\_-\_\_

Name

Address

Phone Number

( )\_\_-\_\_

## 5. HAZARDOUS MATERIAL

Type of Material

Impact on Project

## 6. FUNDING - Attach a copy of the funding breakdown for the project.

Indicate funds expended to date and anticipated cash flow for remaining costs.

## 7. BUDGET - Attach a copy of the budget on Form C-100.

For narrative discussion on completing this form, refer to 2001-03 Allotment Instructions (OFM), Section 8.4.3. This form is available electronically at [http://www.ofm.wa.gov/allotment/forms\\_toc.htm](http://www.ofm.wa.gov/allotment/forms_toc.htm)

## 9.5 Allotment of Construction Appropriations

---

<b>Submitting construction allotments</b>	Construction allotments may be submitted once design is complete and an appropriation for construction is available.
---	--

### 9.5.1 Construction Components

<b>What is included in construction costs</b>	<ul style="list-style-type: none"> <li>• <b>Acquisition Costs:</b> Allotments may be made for property acquisition at this time.</li> <li>• <b>Consultant Services:</b> <p>Pre-design Consultant Services - These funds will have been previously allotted and expended.</p> <p>Architectural/Engineering Basic Design Services - These funds will have been previously allotted.</p> <p>Architectural/Engineering Extra Services/Reimbursable - Those services and reimbursable activities normally conducted during the construction phase will be allotted.</p> <p>Other Services - Those services and reimbursable activities normally conducted during the construction phase will be allotted.</p> <p>Design Service Contingency - Allotment for design contingency may be made on a case-by-case basis at this time.</p> </li> <li>• <b>Construction Contracts:</b> Allotment for construction contracts based on the base bid and allowed alternates plus sales tax will be made at this time.</li> <li>• <b>Construction Contingency:</b> Allotment for contingencies will be made at this time. Initial distribution will be approximately 3 to 5 percent of the bid for new construction and up to 10 percent of the bid for major remodel and renovation work. If a portion of the contingency remains in reserve, additional allotments of contingency may be made upon written request to OFM.</li> <li>• <b>Equipment, Artwork, and Other Costs:</b> Allotments for equipment, artwork, and other costs may be made at this time.</li> <li>• <b>Project Management and Related Projects:</b> Allotments of remaining amount of project management services and related projects will be made at this time.</li> </ul>
---	--



### 9.5.2 Construction Pre-Allotment Requirements

**Use form A-2 for construction allotments**

Prior to the release of allotments for construction, the agency will submit refined project scope and schedule data on Form A-2. The allotment package will include an updated project cost estimate Form C-100 or C-100A and an affirmation statement from the agency that the project can be constructed within the appropriation amount. CBS/BASS data must also be updated to correspond to the current project scope, schedule and cost estimates.



**IMPORTANT:** Do not submit C-100/100A cost estimates through BASS. These forms will be distributed in a blank, electronic spreadsheet. Agencies and institutions are asked to complete the spreadsheet for each major project and return electronic files for OFM use.

State of Washington  
Office of Financial Management  
**REQUEST FOR CONSTRUCTION ALLOTMENT (FORM A-2)**

PAGE 1 OF 3

The following items shall be completed and sent to the Office of Financial Management (OFM) a minimum of two weeks prior to receiving bids for the project.

**AGENCY NAME** \_\_\_\_\_ **AGENCY NUMBER** \_\_\_\_\_

**1. BASIC PROJECT DATA**

**Project Identifier** \_\_\_\_\_

**Project Title** \_\_\_\_\_

**Project Location** \_\_\_\_\_

**Project Address** \_\_\_\_\_

**Legislative District** \_\_\_\_\_

**Project Type**

New Facility \_\_\_\_\_

Addition \_\_\_\_\_

Remodel \_\_\_\_\_

Other \_\_\_\_\_

<b>Project Size</b>	<b>Original Request</b>	<b>Current Request</b>
Gross Area	_____	_____
Net Area	_____	_____
Efficiency	_____	_____
<b>Reason for Change</b>	_____	

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Project Description** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

State of Washington  
Office of Financial Management  
**REQUEST FOR CONSTRUCTION ALLOTMENT (FORM A-2)**

PAGE 2 OF 3

**2. PROJECT SCHEDULE**

Bid Date                    \_\_/\_\_/\_\_  
Award Date                \_\_/\_\_/\_\_  
Start Construction        \_\_/\_\_/\_\_  
Finish Construction      \_\_/\_\_/\_\_  
Occupancy                \_\_/\_\_/\_\_

**3. PROJECT MANAGEMENT**

Project Manager

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number        (    )\_\_\_\_-\_\_\_\_

Architect/Engineer

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number        (    )\_\_\_\_-\_\_\_\_

Other Major Parties

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number        (    )\_\_\_\_-\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number        (    )\_\_\_\_-\_\_\_\_

#### 4. HAZARDOUS MATERIAL

Type of Material \_\_\_\_\_

Impact on Project \_\_\_\_\_

5. **FUNDING** - Attach a copy of the funding breakdown for the project.  
Indicate funds expended to date and anticipated cash flow for remaining costs.

6. **PROJECT COST DATA** - Attach a copy of an updated OFM Capital Project Cost Estimate - Form C-100 and a copy of the original budget request.

The agency shall explain differences in cost between budget and current estimate based on the design study.

Attach a listing of all consultants for basic, extra, and other services. This list shall include the name of the consultant, whether the consultant was a sub to the Architect/Engineer or directly contracted with by the agency, and the total cost of each contract.

7. **COST ESTIMATE** - Attach a copy of the final Architectural/Engineering cost estimate for the project.
8. **BID FORM** - Attach a copy of the bid form and a scope of services statement containing a description of all alternates.
9. **VALUE ENGINEERING** - - Attach a copy of the value engineering study including a description of which ideas were accepted by the agency and reasons for not accepting those ideas rejected.
10. **CONSTRUCTION REVIEW** - Attach a copy of the constructability review document.
11. **BID TAB** - Forward a copy of the bid tabulation with bid amount including all alternates and the recommended bidder to be contracted with identified.

## 9.6 Allotment of Furniture, Fixtures, and Equipment (FFE) Appropriations

---



### Submitting allotment for FFE

Allotment for FFE may be submitted when the project is currently in or has completed the construction phase, and an appropriation is available.

### 9.6.1 Purchases from Correctional Industries

#### **RCW 43.19.534 requires agencies to purchase office furniture from Correctional Industries**

All state agencies, including higher education, are required to purchase their office furniture from the Division of Correctional Industries. RCW 43.19.534.

Sales tax is not charged to state agencies by Correctional Industries. Contact references for Correctional Industries procurements are:

#### **Who do I contact?**

Sales Manager	Contract Administrator
Correctional Industries	Office of State Procurement
P.O. Box 41115	P.O. Box 41017
Olympia, WA 98504-1115	Olympia, WA 98504-1017
(360) 753-4648	(360) 902-7400

### 9.6.2 Purchases from Other Than State Procurement Contracts

#### **Contact the state procurement office for state contract purchasing exemption information**

As with all mandatory contracts, purchasing goods or services from any other vendor other than through the state contract requires specific written exemption using the best buy process from the Department of General Administration's Office of State Procurement and is subject to audit. Additional information is available from:

Office of State Procurement  
Department of General Administration  
P.O. Box 41017  
Olympia, WA 98504-1017  
(360) 902-7283

### 9.6.3 Requirements for Allotment of FFE Funds

**Items OFM  
reviews prior to  
approval of FFE  
allotments**

OFM will allot funds for the purchase of FFE upon review of the following:

- A copy of the final architectural/engineering cost estimate for the FFE.
- Certification that the requirements of RCW 43.19.534 have been met. The agency or institution will provide a copy of the approved “Exemption from Correctional Industries State Contract” form from the Department of General Administration if an exception is granted.
- A listing of all FFE to be purchased without competitive bids.
- A listing of all furniture and equipment to be competitively bid.
- An affirmation statement from the agency that the FFE purchases for the project will remain within the appropriation amount, and that all FFE required for start-up and operation of the new facility is included in the FFE purchases.